

beneficial owners' characteristics.⁶ In contrast, under the Tax Certificate, the participant was required to certify that every underlying beneficial owner was subject to the same withholding tax rate as would be a U.S. individual and to withdraw any foreign securities held by beneficial owners that were subject to different withholding rates (as for example might be the case for charitable organizations, pensions, and residents of certain other countries holding securities directly or indirectly in the participant's DTC account).

In addition, DTC now admits foreign participants, which may be expected to hold securities on behalf of beneficial owners not meeting the criteria set forth in the text of the Tax Certificate.⁷ With regard to U.S. participants, most of which executed the Tax Certificates in the 1970s, it is doubtful that they have systems in place to prevent the prohibited deposits or to insure withdrawal after book-entry delivery for a prohibited beneficial owner. Also, book-entry only securities are now eligible for processing at DTC. In such cases, a participant may be unable to comply with the requirement that it withdraw a security in the event it becomes held by a beneficial owner not meeting the criteria.

Under current investment practices, beneficial owners of securities may now hold securities through several layers of custodians that cross country lines and even through foreign central securities depositories that have accounts at DTC. Given these practices, DTC believes that continued reliance on the Tax Certificate, in which every participant certifies that all beneficial owners have the same withholding tax status as U.S. individual residents, is no longer realistic.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁸ and the rules and regulations thereunder because it promotes the prompt and accurate clearance and settlement of securities transactions while ensuring the safeguarding of funds and securities in DTC's possession or control.

B. Self-Regulatory Organization's Statement on Burden on Competition

DTC does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

DTC proposed eliminating the Tax Certificate at meetings of the DTC Foreign Tax Legal Working Group, most recently at a meeting held on September 29, 1999, and requested comments from the participant representatives that comprise the group. No written comments were received and the members of the Foreign Tax Legal Working Group concurred with the proposal.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act⁹ and Rule 19b-4(f)(4)¹⁰ promulgated thereunder because the proposed rule change effects a change in an existing DTC service that does not adversely affect the safeguarding of securities or funds in DTC's custody or control or for which DTC is responsible and does not significantly affect DTC's respective rights and obligations or persons using the service. At any time within sixty days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the

proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, DC. Copies of such filing also will be available for inspection and copying at DTC's principal office. All submissions should refer to File No. SR-DTC-00-8 and should be submitted by December 26, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43634; File No. SR-DTC-00-15]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to DTAX Fees in Connection With Providing Internet

November 29, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, notice is hereby given that on, November 2, 2000, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change will allow DTC to modify its current fees for its domestic tax reporting service ("DTAX") in connection with providing Internet access to the DTAX information database.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC included statements concerning

⁶ For a more complete discussion of DTC's EDS service (now called TaxRelief), refer to Securities Exchange Act Release Nos. 29814 (October 11, 1991), 56 FR 52563 (October 21, 1991) and 32171 (April 19, 1993), 58 FR 22003 (April 26, 1993).

⁷ See Securities Exchange Act Release Nos. 38600 (May 9, 1997), 62 FR 27086 (May 16, 1997); 40064 (June 3, 1998), 63 FR 31818 (June 10, 1998); and 41466 (May 28, 1999), 64 FR 30077 (June 4, 1999).

⁸ 15 U.S.C. 78q-1.

⁹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁰ 17 CFR 240.19b-4(f)(4).

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to revise current fees for DTAX³ in connection with providing Internet access to the DTAX information database.

DTAX is a data service containing tax information on distributions received with respect to domestic securities. It is available through DTC's PTS and CCF facilities and effective on or about December 1, 2000, will also be accessible over the Internet through DTC's website.

Annual subscription fees for DTAX accessed over the Internet will be as follows:

\$4,999 Unlimited interactive inquiries and master file download of all available CUSIPs.

\$999 Unlimited interactive inquiries.

Initially, DTAX will be available only to participants although usage may be expanded to include non-participant customers at a later date.⁴

The proposed rule change is consistent with the requirements Section 17A of the Act and the rules and regulations thereunder applicable to DTC because fees will be equitably allocated among users of DTC services.

(B) Self-Regulatory Organization's Statement on Burden on Competition

DTC perceives no impact on competition by reason of the proposed rule change.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments from DTC participants or others have not been solicited or received on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act and Rule 19b-4(f)(2) thereunder, because the proposed rule change is changing a due, fee or other charge. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of DTC. All submissions should refer to File No. SR-DTC-00-15 and should be submitted by December 26, 2000.

For the Commission by the Division of Market Regulations, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43631; File No. SR-DTC-00-14]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Creating a United States Withholding Tax Service Available Through The Depository Trust Company's Elective Dividend Service

November 28, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on October 31, 2000, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change would allow DTC to institute a U.S. withholding tax service available to foreign participants beginning January 1, 2001, in which DTC will act as withholding agent to deduct and withhold U.S. tax on U.S.-source income paid to foreign participants.

II. Self-Regulatory Organization's Statement of Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to institute a U.S. withholding tax service available to foreign participants beginning January 1, 2001, in which DTC will act as withholding

² The Commission has modified the text of the summaries prepared by DTC.

³ For a description of DTAX, refer to Securities Exchange Act Release No. 41105 (February 25, 1999), 64 FR 10523 (March 4, 1999) [File No. DTC-99-02].

⁴ Before expanding access to non-participants, DTC will file a proposed rule change under Section 19(b) of the Act.

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by DTC.